

Minutes of the
Board of Water and Natural Resources Meeting
Matthew Environmental Education and Training Center
523 East Capitol
Pierre, South Dakota

June 26-27, 2003

JUNE 26, 2003 - 1:00 P.M. CDT

CALL MEETING TO ORDER: The meeting was called to order by Chairman Gregg Greenfield. A quorum was present.

Chairman Greenfield introduced new board members Don Rounds, Pierre, who replaces Jerry Kleinsasser and Brad Johnson, Watertown, who replaces Steve Lowrie.

Chairman Greenfield announced that Dale Kennedy has been on the board since 1985.

Jim Feeney introduced new staff member Jason Knapp, who took the engineering position left vacant by Keith Gestring.

BOARD MEMBERS PRESENT: Gregg Greenfield, Dale Kennedy, Don Bollweg, John Loucks, Gene Jones, Don Rounds, and Brad Johnson.

BOARD MEMBERS ABSENT: None.

OTHERS PRESENT: See attached attendance sheets.

APPROVAL OF AGENDA: Jim Feeney pointed out changes to the agenda.

Motion by Loucks, seconded by Jones, to approve the amended agenda. Motion carried.

APPROVAL OF MINUTES FROM MARCH 27-28, 2003, MEETING: Motion by Kennedy, seconded by Jones, to approve the minutes from the March 27-28, 2003, Board of Water and Natural Resources meeting. Motion carried.

PUBLIC HEARING TO ESTABLISH DIRECTOR AREAS OF CENTRAL PLAINS WATER DEVELOPMENT DISTRICT: Chairman Greenfield opened the hearing at 1:10 p.m. CDT.

The purpose of the hearing was to consider amendments to ARSD 74:05:05:17, Central Plains Water Development District (WDD) director areas.

The reason for amending the rule is to reflect the change in the boundaries of the Central Plains WDD as approved by the 2003 Legislature (S.B. 145). To comply with SDCL 46A-3B-3, the Board of Water and Natural Resources is required to adjust the number of board members, where appropriate, and to redistrict director areas for a water development district following any adjustment of boundaries.

The public hearing was advertised in accordance with applicable rules and regulations.

Mike Perkovich provided a map showing the old boundaries and the proposed boundaries. He gave a summary of the proposed amendments, as follows. Additions are shown by underscores and deletions are shown by overstrikes.

74:05:05:17. Central Plains water development district director areas. The director areas of the Central Plains water development district are as follows:

(1) Municipal director 1: representing the precincts 24, 30, 31, 33, and 34 in the incorporated municipality of Pierre except ~~Precinct 23 and the extraterritorial jurisdiction of Pierre;~~

(2) Municipal director 2: representing ~~the incorporated municipality of Huron~~ precincts 21, 22, 23, 25, 26, 27, 28, 29, and 32 in the incorporated municipality of Pierre;

(3) Municipal director 3: representing the incorporated municipalities of Blunt, Harrold, Highmore, Onida, Agar, Gettysburg, Lebanon, Tolstoy, Hoven, Onaka, Cresbard, Chelsea, Seneca, Faulkton, Orient, Rockham, Ree Heights, Miller, St. Lawrence, Redfield, Frankfort, Tulare, Hitchcock, and the portion of Wessington in Hand County, Broadlan, Wolsey and Virgil, Precinct 23 in the incorporated municipality of Pierre, and the extraterritorial jurisdictions of Pierre and Huron;

(4) Rural director 1: representing all of rural Faulk County; and the rural areas of Harrison, Spring, Park, Ontario, Fairview, Howell, Campbell, Alden, Florence, Riverside, Greenleaf, and Alpha-Linn, Plato, Wheaton, and Carlton Townships of Hand County; and the rural areas of Franklin, Union, Banner, Spring Lake, Illinois, Eden, Valley, Douglas, Washington, and William Hamilton Townships of Hyde County;

(5) Rural director 2: representing all of rural Spink County; ~~the rural areas of Nance, Bonilla, Altoona, and Pleasant View Townships of Beadle County; and the rural areas of Linn, Plato, Carlton, Wheaton, Holden, Burdette, York, and Gilbert Townships of Hand County~~ Potter and Sully Counties and the rural areas of Franklin, Union, Banner, Spring Lake, Illinois, Eden, Valley, Douglas, Washington, William Hamilton, and Holabird Townships in Hyde County;

(6) Rural director 3: representing the rest of rural ~~Beadle~~ Hand County not included in rural director area 2-1 ~~and the rural areas of St. Lawrence, Grand, Pearl, Hulbert, Hiland, Rose Hill, Spring Lake and Bates Townships in Hand County;~~

(7) Rural director 4: representing ~~the rural areas of Ree Heights, Midland, Miller, Spring Hill, Rockdale, Logan, Cedar Glendale, Ohio, Como, Mondamin, and Pleasant Valley Townships in Hand County, the rest of rural Hyde County not included in rural director area 1, 2, and all of rural Sully and Hughes Counties~~ County except the extraterritorial jurisdiction of Pierre.

Source: 11 SDR 72, effective November 25, 1984; 13 SDR 23, effective September 3, 1986; 13 SDR 129, 13 SDR 141, effective July 1, 1987.

General Authority: SDCL 46A-3C-6.

Law Implemented: SDCL 46A-3B-1.

Following Mr. Perkovich's presentation, Chairman Greenfield requested public comments.

Dave Hauschild, Central Plains WDD, stated that the water development district board of directors agreed with the proposed amendments.

Mr. Perkovich noted that the department received no written comments on the proposed amendments.

The Legislative Research Council reviewed the proposed amendments for style, form, and legality.

Chairman Greenfield requested board action.

Motion by Bollweg, seconded by Kennedy, to adopt the amendments to ARSD 74:05:05:17 as presented. Motion carried.

Chairman Greenfield declared the hearing closed at 1:25 p.m. CDT.

BWNR SELECTION OF GREGORY COUNTY PUMPED STORAGE CONSULTANT: Dave Templeton reported that the Gregory County Pumped Storage project was placed on the State Water Resources Management list in 1981 and federally authorized in 1986. The South Dakota Conservancy District obtained a Federal Energy Regulatory Commission (FERC) preliminary permit in 1989 for further studies. EBASCO was hired to conduct the studies, which were completed in 1991.

At the recommendation of Governor Janklow in 2001, the Department of Environment and Natural Resources (DENR) prepared another FERC preliminary permit application on behalf of the Conservancy District. The preliminary permit was approved in 2002, and the South Dakota Legislature appropriated \$100,000 for completion of the studies, required by the FERC preliminary permit.

Mr. Templeton stated that staff prepared a Request for Proposals for selection of an engineering firm to perform the necessary studies for the FERC preliminary permit. The Request for Proposals asked for an analysis of the present and projected power marketing needs and an update on costs for the pumped storage facility and transmission facilities.

The firms that submitted proposals with costs ranging from \$80,000 to \$89,000 were Montgomery Watson Harza, Black & Veatch, Dahlen Berg & Company, and Burns & McDonnell.

Mr. Templeton said staff believes the two proposals that stand out among the others were from Montgomery Watson Harza at a total cost of \$80,000 and Black & Veatch at a total cost of \$85,000. While Black & Veatch is \$5,000 higher, they propose to spend \$17,000 more on Phase I, which is working with the power generating companies to identify the future peaking power needs. Mr. Templeton noted that staff believes Black & Veatch submitted the best proposal.

Mr. Templeton stated that the legislature appropriated \$100,000 to DENR to do the study update for the FERC preliminary permit, but the South Dakota Conservancy District actually holds the

preliminary permit. Therefore, staff requested that the board, acting as the South Dakota Conservancy District, select one of the four firms.

Cathy Wernke said she has a good working relationship with Black & Veatch. Ms. Wernke also reminded the board that the original Gregory County Pumped Storage project included several other municipal, rural, and industrial related water projects, and she hoped these facilities would continue to be included as the project moves forward.

Mr. Templeton noted that the study will be completed within about six months after the contract is executed.

Brad Johnson noted that Black & Veatch's proposal does not include any trips to Pierre.

Mr. Templeton stated that the staff anticipated communicating with Black & Veatch via telephone conference calls. The proposal states that Black & Veatch would present the final report to the board, but the cost of a trip to Pierre is not included in the \$85,000 proposal.

Motion by Jones, seconded by Kennedy, to select Black & Veatch as the Gregory County Pumped Storage consultant.

Amended motion by Greenfield, seconded by Kennedy, to request that one trip to Pierre be included in the total amount of \$85,000. Motion carried.

2003 STATE WATER PLAN AMENDMENT APPLICATIONS: Water projects that will require state funding or need state support for grant or loan funding must be included on the State Water Facilities Plan (facilities plan). The Board of Water and Natural Resources annually approves projects to be placed on the facilities plan and may amend projects onto the facilities plan on a quarterly basis. The department received 15 applications requesting amendment onto the facilities plan.

David Ryan reported that if placed on the 2003 State Water Facilities Plan, these projects will remain on the plan through calendar year 2004. Placement of projects on the facilities plan is recommended contingent upon the project sponsor meeting with department staff. The board may waive the meeting requirement. Placement of a project on the facilities plan is no guarantee of funding.

Mr. Ryan reviewed the amendment applications and provided staff recommendations.

Bridgewater requested amendment onto the 2003 facilities plan for wastewater system improvements. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Clark requested amendment onto the 2003 facilities plan for water and wastewater system improvements. Staff recommended amending the project onto the facilities plan contingent upon the city meeting with DENR.

Clear Lake requested amendment onto the 2003 facilities plan for wastewater system improvements. Staff recommended amending the project onto the facilities plan contingent upon the city meeting with DENR.

Hanson County Conservation District requested amendment onto the 2003 facilities plan for the Lake Hanson restoration project. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Java requested amendment onto the 2003 facilities plan for water and wastewater improvements. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Lead requested amendment onto the 2003 facilities plan for the Highway 85 utilities replacement project. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Lennox requested amendment onto the 2003 facilities plan for water system improvements. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Letcher requested amendment onto the 2003 facilities plan for wastewater system improvements. Staff recommended amending the project onto the facilities plan contingent upon the city meeting with DENR.

McLaughlin requested amendment onto the 2003 facilities plan for the Main Street water main replacement project. Staff recommended amending the project onto the facilities plan contingent upon the city meeting with DENR.

Mobridge requested amendment onto the 2003 facilities plan for water and wastewater system expansion. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Parker requested amendment onto the 2003 facilities plan for water and wastewater system improvements. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Pine Cliff Water and Maintenance, Inc. requested amendment onto the 2003 facilities plan for water system improvements. Staff recommended amending the project onto the facilities plan contingent upon Pine Cliff Water and Maintenance, Inc. meeting with DENR.

Willow Lake requested amendment onto the 2003 facilities plan for wastewater system improvements. Staff recommended amending the project onto the facilities plan contingent upon the city meeting with DENR.

Willow Lake requested amendment onto the 2003 facilities plan for water system improvements. Staff recommended amending the project onto the facilities plan contingent upon the city meeting with DENR.

Yankton requested emergency amendment onto the 2003 facilities plan for a utilities extension project. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Motion by Kennedy, seconded by Loucks, to accept the staff recommendations and amend the following projects onto the 2003 State Water Facilities Plan: Bridgewater - wastewater system improvements; Clark - water and wastewater system improvements; Clear Lake - wastewater system improvements; Hanson County Conservation District - Lake Hanson restoration project; Java - water and wastewater improvements; Lead - Highway 85 utilities replacement project; Lennox - water system improvements; Letcher - wastewater system improvements; McLaughlin - Main Street water main replacement project; Mobridge - water and wastewater system expansion; Parker - water and wastewater system improvements; Pine Cliff Water and Maintenance Inc. - water system improvements; Willow Lake - wastewater system improvements; Willow Lake - water system improvements; and Yankton - utilities extension project. Placement on the facilities plan is contingent upon the project meeting with DENR. The meeting requirement is waived for Bridgewater, Hanson County Conservation District, Java, Lead, Lennox, Mobridge, Parker, and Yankton. Motion carried.

CLEAN WATER INTENDED USE PLAN (IUP) AMENDMENTS: Mike Perkovich reported that the FY 2003 Clean Water IUP was approved by the board in November 2002 and amended in March 2003. Additional projects have been identified through State Water Plan quarterly amendment applications. The department proposed to amend the IUP by adding the following entries to Attachment I - Project Priority List:

Priority Points	Loan Recipient	Project Description	Est. Loan Amount	Expected Loan Rate & Term
14	Parker	Replace deteriorated wastewater lines and provide service to unsewered homes within the city.	\$416,000	3.5%, 20 yrs
12	Lead	Replacement of sewer lines in conjunction with a DOT project and separation of combined storm and sanitary sewer lines.	\$100,000	3.5%, 20 yrs
11	Clear Lake	Rehabilitation of approximately 9,700 feet of various sized sewer, and rehabilitation or replacement of over 100 manholes.	\$900,000	3.5%, 20 yrs
9	Clark	Replacement of approximately 4,100 feet of sanitary sewer line.	\$170,000	3.5%, 20 yrs
9	Willow Lake	Lining of approximately 2,750 feet of sewer line and rehabilitation of manholes.	\$100,000	3.5%, 20 yrs
8	Bridgewater	Replacement of approximately 7,500 feet of vitrified clay sewer lines.	\$350,000	3.5%, 20 yrs
8	Mobridge	Extension of sewer for commercial development.	\$195,000	3.5%, 20 yrs
6	Java	Rehabilitation of an existing lift station and installation of riprap on the lagoon berms.	\$260,000	3.5%, 20 yrs

Motion by Johnson, seconded by Bollweg, to amend the FY 2003 Clean Water Intended Use Plan as presented. Motion carried.

DRINKING WATER INTENDED USE PLAN AMENDMENTS: Mr. Perkovich reported that the FY 2003 Drinking Water IUP was approved by the board in November 2002 and amended in March 2003. Additional projects have been identified through State Water Plan quarterly amendment applications. The department proposed to amend the FY 2003 Drinking Water IUP by adding the following projects to Attachment I - Project Priority List:

Priority Points	Community/ Public Water System	Project Description	Est. Loan Amount	Expected Loan Rate & Term
50	Lennox	<i>Problem:</i> The city's water is supplied by three wells that are marginal in their ability to meet the current peak day demand, the elevated water storage facility is over 90 years old and in need to replacement and the distribution system has areas of cast iron and asbestos cement pipe and dead-end lines. <i>Project:</i> Drill two new wells, rehabilitate existing wells, construct a one million gallon elevated water tank, replace areas of old water main, and install new lines to loop dead-end lines.	\$4,238,600	3.5%, 20 yrs
34	Parker	<i>Problem:</i> The existing water distribution system is experiencing substantial water loss and consists largely of 4-inch lines. <i>Project:</i> Phases 1 and 2 of a seven-phase project to replace most of the water distribution system.	\$298,000	2.5%, 30 yrs
28	Willow Lake	<i>Problem:</i> The existing water distribution system is unmetered and in consists mostly of cast iron lines that are over 50 years old and in poor condition. <i>Project:</i> Upgrade the distribution system, including looping, by installing approximately 16,130 feet of 6-inch PVC, 10 fire hydrants, and 139 meters.	\$138,000	2.5%, 30 yrs
27	Letcher	<i>Problem:</i> The distribution system is experiencing almost 50% water loss as a result of old asbestos-cement pipe and leaky valves. <i>Project:</i> Install approximately 16,800 feet of 6-inch PVC water main to replace the entire distribution system.	\$205,000	2.5%, 30 yrs
19	McLaughlin	<i>Problem:</i> The distribution lines under the city's Main Street are over 50 years old and in need of replacement. <i>Project:</i> Replace five blocks of water main in conjunction with a DOT Main Street Improvement project.	\$266,700	2.5%, 30 yrs
11	Lead (Line Replacement)	<i>Problem:</i> Portions of the distribution system are cast iron lines that are over 100 years old and in need of replacement. <i>Project:</i> Replace cast iron lines with PVC lines in conjunction with a DOT Highway project.	\$150,000	3.5%, 20 yrs
10	Clark	<i>Problem:</i> The cast iron water mains under Cloud Street are approximately 50 years old, undersized, and deteriorating. <i>Project:</i> Replace approximately 3,125 feet of water line.	\$160,000	3.5%, 30 yrs
7	Java	<i>Problem:</i> The city's distribution system is old and in need of replacement. <i>Project:</i> Replace the entire distribution system (approximately 40 blocks).	\$329,500	2.5%, 30 yrs
2	Pine Cliff Park Water and Maintenance, Inc.	<i>Problem:</i> Numerous breaks have occurred in certain areas within the system. <i>Project:</i> Replace the existing 2- and 4-inch water mains with 4- or 6-inch mains	\$980,000	3.5%, 20 yrs

Motion by Loucks, seconded by Kennedy, to amend the FY 2003 Drinking Water Intended Use Plan as presented. Motion carried.

RESCIND LAKE PRESTON CWFCP GRANT: Jim Feeney reported that on March 28, 2003, the board awarded a \$50,000 grant to the city of Lake Preston for replacement of water and sewer pipelines and appurtenances along Park Avenue and extending water and sewer service to the city's industrial park. The grant was contingent upon the city applying for a Clean Water SRF loan to complete the funding package for the wastewater portion of the project.

Schmucker, Paul, Nohr & Associates, on behalf of the city of Lake Preston, submitted a letter requesting that the board rescind the contingency. Subsequent to that, Mr. Feeney sent a letter to the city of Lake Preston indicating that the staff did not support the request to remove the contingency and offered the option of the city discussing the total project with an alternative funding agency such as Rural Development. If the city finds a funding package that is better than the combination of a Clean Water SRF loan and consolidated grant, they can return the grant and pursue that alternative financing. Mr. Feeney also offered that the staff would support moving the consolidated grant to just the wastewater portions of the project and allow the city to pursue alternative financing on the water portions.

The city then submitted a letter to the department stating that the city had secured a funding package from Rural Development and would not be using the \$50,000 consolidated grant.

Staff recommended rescinding the city of Lake Preston's consolidated grant.

Motion by Bollweg, seconded by Jones, to adopt Resolution #2003-48 rescinding the South Dakota Consolidated Water Facilities Construction Program grant agreement No. 2004G-107 between the state and the city of Lake Preston in the amount of up to \$50,000. Motion carried.

RESCIND WEB WATER DEVELOPMENT ASSOCIATION, INC. DRINKING WATER SRF LOAN: Mr. Feeney reported that on October 11, 2001, the board approved a Drinking Water SRF loan in the amount of \$137,450 to the WEB Water Development Association, Inc. to rehabilitate the town of Glenham's water distribution system. The project is now complete, but the department has not received the necessary paperwork to close the loan.

The department sent a certified letter to WEB informing them that staff would ask the board to rescind the SRF loan at its June 26-27, 2003, meeting. The department received the signed return receipt showing that WEB received the letter, but has had no other contact with WEB regarding this matter.

Motion by Kennedy, seconded by Jones, to adopt Resolution #2003-49 rescinding the South Dakota Drinking Water State Revolving Fund Loan #C462426-02 between the state and the WEB Water Development Association, Inc. for a loan up to \$137,450. Motion carried.

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM APPLICATIONS: Jim Feeney reported that \$2,964,000 was available for award. The department received seven new consolidated funding applications. The board also needs to take action on the Hermosa Water Users Association application, which was presented to the board in March 2003. The department's recommendations to the board for this funding round total \$1,026,000. Mr. Feeney noted that the administrative rules require the board to wait a minimum of 12 hours from the time the new applications are presented before making funding decisions. The funding decisions were scheduled for 8:30 a.m. the following morning.

Mr. Feeney presented the funding applications and staff recommendations to the board.

Arlington requested a \$300,000 consolidated grant for wastewater and water improvements. The estimated total project cost is \$1,570,000. Staff recommended awarding a grant up to \$300,000.

Mayor Amiel Redfish discussed the project and requested board approval of funding.

Centerville requested a \$300,000 consolidated grant for water distribution improvements. The estimated total project cost is \$1,848,500. Staff recommended awarding a grant up to \$150,000 contingent upon the city applying for a Drinking Water SRF loan to finance the balance of the project.

The application indicates that Centerville based its grant needs on a debt service capacity using a 20-year SRF loan. Mr. Feeney stated that Centerville is eligible for a disadvantaged rate of 3.5% for a 30-year term. Based on staff's analysis, Centerville could borrow additional money without a rate increase.

Mayor Valarie Fischer discussed the project and requested approval of funding in the amount requested.

Faulk Conservation District requested a \$183,412 consolidated grant for Lake Faulkton watershed improvements. The estimated total project cost is \$934,171. Staff recommended awarding a grant up to \$180,000.

Kevin Stark, project coordinator, discussed the project and requested approval of funding.

Lake Cochrane Sanitary District requested a \$100,000 consolidated grant for collection system improvements. The estimated total project cost is \$280,000. Staff recommended awarding a grant up to \$100,000 contingent upon the sanitary district applying for a Clean Water SRF loan to finance the balance of the project.

A representative of the sanitary district discussed the project and requested approval of funding.

Lake Madison Sanitary District requested a \$200,000 consolidated grant for wastewater treatment improvements. The estimated total project cost is \$1,150,000. Staff recommended awarding a grant up to \$200,000 contingent upon the district applying for a Clean Water SRF loan to finance the balance of the project.

Mike Peterson, superintendent of the sanitary district, discussed the project and requested approval of funding.

Stagebarn Sanitary District requested a \$57,761 consolidated grant and a \$38,375 consolidated loan for a wastewater regionalization project. The estimated total project cost is \$95,936. Staff recommended awarding a grant up to \$57,600 and a loan up to \$38,400 at 5% for a term of 20 years.

Jay Behrends, vice president of the sanitary district, discussed the project and requested approval of funding.

Hermosa Water Users Association requested a \$183,900 grant for a water supply and distribution system project. The estimated total project cost is \$443,110. Staff recommended no funding for the project. Mr. Feeney noted that the town of Hermosa had contacted the department regarding additional water supplies. The town of Fairburn also needs additional water. Staff suggested that these three entities work on a regional approach. Hermosa Water Users Association worked with Rural Development and was able to secure a \$280,200 grant and \$190,000 loan.

Motion by Bollweg, seconded by Jones, to deny funding for the Hermosa Water Users Association. Motion carried.

SOLID WASTE MANAGEMENT PROGRAM APPLICATION: David Ryan presented one Solid Waste Management Program funding application. He noted that a total of \$628,380 is available for this funding round. A minimum of 50% of these funds must be reserved for recycling activities. By administrative rule, the board is required to wait at least 12 hours, but can take up to 120 days, after being presented with the applications to make funding decisions.

Sisseton requested a \$15,700 grant for the purchase of a recycling trailer. The estimated total project cost is \$20,953. Staff recommended awarding a grant up to \$15,700.

Frank Karst, city of Sisseton, requested approval of the grant.

OVERVIEW OF SRF PROGRAMS AND AVAILABLE FUNDS: Jim Feeney provided an overview of the Clean Water and Drinking Water SRF loan programs. He presented a handout showing available funds for the Clean Water and Drinking Water SRF loan programs. (See attachment.)

WORTHING DRINKING WATER SRF APPLICATION: Eric Meintsma reported that the city of Worthing applied for a Drinking Water SRF loan to replace existing water main and to construct new water main to connect to South Lincoln Rural Water System. The city currently obtains water from two wells that have marginal pumping capacity. The city has decided to purchase water from South Lincoln RWS in order to have a more reliable source of water.

Dave Ruhnke stated that the city of Worthing applied for a \$288,000 loan at 3.5% interest for 20 years. The Board of Water and Natural Resources awarded a \$150,000 consolidated grant to the city in March 2003. The city is pledging water revenues toward repayment of the loan. Debt coverage after project completion is estimated to be 124%, which exceeds the 110% requirement.

Staff recommended approval of the loan with the following contingencies:

- the city passing a resolution authorizing the sale of the bond and the resolution becoming effective,
- the environmental review process being completed,
- the SRF loan receiving a parity position with an existing Farmer's Home Administration loan for which the city has also pledged its water revenues, and

- the city establishing a schedule for compliance with the SRF requirement to maintain fixed asset records according to Generally Accepted Accounting Principles.

Denise Hanson, finance officer, discussed the project and requested approval of the SRF loan.

Motion by Bollweg, seconded by Jones, to adopt Resolution #2003-50 approving the Drinking Water State Revolving Fund loan up to a maximum commitment amount of \$288,000 at 3.5% interest for a term of 20 years to the city of Worthing to replace existing water main and to construct new water main to connect to South Lincoln Rural Water System, and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and permit all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the city passing a resolution authorizing the sale of the bond and the resolution becoming effective, the environmental review process being completed, the SRF loan receiving a parity position with an existing Farmer's Home Administration loan for which the city has also pledged its water revenues, and the city establishing a schedule for compliance with the SRF requirement to maintain fixed asset records according to Generally Accepted Accounting Principles. Motion carried.

BIG STONE CITY DRINKING WATER SRF APPLICATION: Gayleen Lowe reported that Big Stone City applied for a Drinking Water SRF loan for distribution system improvements. The project will replace about 5,000 feet of old cast-iron water main on Main Street and Cornell Avenue. The project also includes the replacement of fire hydrants, two highway crossings, highway/street repair, and associated appurtenances. The water main on Main Street will provide a more reliable connection between the Ortonville water treatment plant and Big Stone City's water tower.

Elayne Lande reported that Big Stone City applied for a \$240,000 loan at 3.5% interest for 20 years. The Board of Water and Natural Resources awarded a \$200,000 consolidated grant to the city in March 2003. The city has pledged water revenues toward repayment of the loan, which is backed by a General Obligation bond. Debt coverage after project completion is expected to be 124%, which exceeds the 110% requirement.

Staff recommended approval of the loan contingent upon the city passing a bond resolution and the resolution becoming effective.

Motion by Kennedy, seconded by Jones, to adopt Resolution #2003-51 approving the Drinking Water State Revolving Fund loan up to a maximum commitment amount of \$240,000 at 3.5% interest for a term of 20 years to Big Stone City for distribution system improvements, and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and permit all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the city passing a resolution authorizing the sale of the bond and the resolution becoming effective. Motion carried.

BLACK HAWK SANITARY DISTRICT CLEAN WATER SRF APPLICATION: Gayleen Lowe reported that the Black Hawk Sanitary District applied for a Clean Water SRF loan for wastewater improvements. The project involves the construction of facilities to connect to the Northdale Sanitary District's sewer system. The district's wastewater will be transported to Rapid City's collection system for treatment at the Rapid City Water Reclamation Plant. The project includes the installation of about two miles of sewer main, a lift station, construction of pump control, and standby power building, security fencing, seeding, and associated work and appurtenances.

Dave Ruhnke reported that the district applied for a \$589,600 loan at 3.5% interest for 20 years. The district received a \$500,000 consolidated grant in October 2000 for this project. The grant expires on October 12, 2003. Mr. Ruhnke noted that this loan completes the funding package, but the project will not be completed before the consolidated grant expires. Therefore, the Black Hawk Sanitary District submitted a new consolidated application, which will be presented to the board at its September 2003 meeting.

The district is pledging wastewater revenues toward repayment of the loan. Debt coverage after project completion is estimated to be 177%, which exceeds the 110% requirement.

Staff recommended approval of the Clean Water SRF loan with the following contingencies:

- the district passing a bond resolution and the resolution becoming effective,
- the environmental review process being completed,
- a sewer rate ordinance being adopted and becoming effective,
- the district amending the existing contract with the city of Rapid City to cover the term of the SRF loan,
- the recent name change of the district being filed with the Secretary of State, and
- the district establishing a schedule for compliance with the requirement to maintain fixed asset records.

Ron Bengs, Alliance of Architects & Engineers, and Ken Palmer, Black Hawk Sanitary District, discussed the project and requested approval of the SRF loan.

Motion by Loucks, seconded by Johnson, to adopt Resolution #2003-52 approving the Clean Water State Revolving Fund loan up to a maximum commitment amount of \$589,600 at 3.5% interest for a term of 20 years to the Black Hawk Sanitary District to connect its sanitary sewer collection system to Northdale Sanitary District to facilitate the delivery of its wastewater flows to the Rapid City wastewater treatment plant, and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and perform all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the district passing a resolution authorizing the sale of the bond and the resolution becoming effective, the environmental review process being completed, a sewer rate ordinance being adopted and becoming effective, the district amending the existing contract with the city of Rapid City to cover the term of the SRF loan, the recent name change of the district being filed with the Secretary of State, and the district establishing a schedule for compliance with the requirement to maintain fixed asset records. Motion carried.

ELK POINT CLEAN WATER SRF APPLICATION: Gayleen Lowe reported that the city of Elk Point applied for a Clean Water SRF loan to renovate its wastewater treatment ponds. The project involves adding mechanical aeration to Cells 1 and 3 and abandoning Cell 2, which leaks. The city's treatment facility is located over the Missouri Aquifer. Cell 2 leaks at a rate greater than 1/8 inch per day, which is the maximum seepage rate for a secondary cell.

Elayne Lande stated that the city applied for a \$345,000 loan at 3.5% interest for 20 years. The city received a \$500,000 consolidated grant in September 2002 for this project. The city has pledged second penny sales tax toward repayment of the loan. Debt coverage after project completion is estimated to be 217%, which exceeds the 120% requirement.

Staff recommended approval of the Clean Water SRF loan contingent upon the environmental review process being completed, the city resolution regarding the sale of the bonds being passed and becoming effective, and loans pledged against the second penny sales tax being accorded parity with the SRF loan.

Elizabeth Hailey, city of Elk Point, discussed the project and requested approval of the SRF loan.

Motion by Kennedy, seconded by Bollweg, to adopt Resolution #2003-53 approving the Clean Water State Revolving Fund loan up to a maximum commitment amount of \$345,000 at 3.5% interest for a term of 20 years to the city of Elk Point to renovate its wastewater treatment ponds, and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and perform all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the city passing a resolution authorizing the sale of the bond and the resolution becoming effective, the environmental review process being completed, and loans pledged against the second penny sales tax being accorded parity with the SRF loan. Motion carried.

SIoux FALLS CLEAN WATER SRF APPLICATION: Jim Anderson reported that the city of Sioux Falls applied for a Clean Water SRF loan to continue its five-year capital improvements plan. The project includes the retrofitting of three sediment detention ponds and the development of a Storm Water Regional Best Management Practice (BMP) Master Plan. The projects are needed to provide for better sediment removal and runoff water quality from storm water events. These upgrades meet the structural BMP requirements in the Sioux Falls Engineering Design Standards, in accordance with the city's Surface Water Discharge Permit and approved Storm Water Management Program.

Dave Ruhnke reported that the city of Sioux Falls requested approval of a \$932,000 Clean Water SRF loan at 3.5% interest for 10 years. The city is pledging storm water fees toward repayment of the loan. Debt coverage after project completion is estimated to be 719%, which exceeds the 110% requirement.

Staff recommended approval of the loan contingent upon the city passing an ordinance authorizing the sale of the bond and the ordinance becoming effective.

Jeff Dunn, Sioux Falls storm water engineer, discussed the project and requested approval of the SRF loan.

Motion by Kennedy, seconded by Jones, to adopt Resolution #2003-54 approving the Clean Water State Revolving Fund loan up to a maximum commitment amount of \$932,000 at 3.5% interest for a term of 10 years to the city of Sioux Falls to continue the city's five-year capital improvements plan; and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and perform all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the city passing an ordinance authorizing the sale of the bond and the ordinance becoming effective. Motion carried.

TEA CLEAN WATER SRF APPLICATION: Eric Meintsma reported that the city of Tea applied for a Clean Water SRF loan to upgrade its existing wastewater treatment facility. The city proposes to reconfigure the existing lagoon system and construct additional cells. The updated reconfiguration will allow the installation of aeration when it becomes necessary.

Dave Ruhnke distributed copies of an e-mail he had received from the Mayor of Tea.

Mr. Ruhnke reported that the city of Tea requested approval of a \$495,490 Clean Water SRF loan at 3.5% interest for 20 years. The city is pledging wastewater revenues toward repayment of the loan. Debt coverage after project completion is estimated to be 117%, which exceeds the 110% requirement.

Staff recommended approval of the loan contingent upon the city passing a resolution authorizing the sale of the bond and the resolution becoming effective, and contingent upon the environmental review process being completed.

Motion by Jones, seconded by Bollweg, to adopt Resolution #2003-55 approving the Clean Water State Revolving Fund loan up to a maximum commitment amount of \$495,490 at 3.5% interest for a term of 20 years to the city of Tea to upgrade its existing wastewater treatment facility; and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and perform all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the city passing a resolution authorizing the sale of the bond and the resolution becoming effective, and contingent upon the environmental review process being completed. Motion carried.

SALEM CLEAN WATER SRF AMENDMENT: Mr. Ruhnke reported that at its March 2003 meeting, the Board of Water and Natural Resources approved a \$307,307 Clean Water SRF loan to the city of Salem. The loan was at 3.5% interest for a term of 20 years to rehabilitate a portion of sanitary sewer collection system in conjunction with various road projects. The loan has not been closed.

When bids were opened, the total project costs increased by \$285,000; therefore, the city has requested that the loan amount be increased to \$592,307.

Mr. Ruhnke noted that the city has pledged wastewater revenues toward repayment of the loan. Debt coverage after project completion is estimated to be 125%, which exceeds the 110% requirement.

Staff recommended approval of the loan amendment contingent upon the city passing a resolution authorizing the sale of the bond and the resolution becoming effective.

Lori Heumiller, finance officer, and Harlan Quenzer, SPN, discussed the project and the reasons for the amendment request.

Motion by Jones, seconded by Rounds, to adopt Resolution #2003-56 increasing the city of Salem's Clean Water SRF loan from \$307,307 to \$592,307 at 3.5% for 20 years. Motion carried.

SRF FINANCIAL ADVISOR: Jim Feeney requested board approval to solicit proposals for a State Revolving Fund financial advisor. This is the first step in putting together a late 2003 or early 2004 SRF bond issue. The department recommended retaining a financial advisor to analyze and evaluate advance refunding of all previous bond issues. The current low rates and necessary Master Indenture amendments are the driving force behind the advance refunding discussions.

Mr. Feeney noted that Bruce Bonjour, Altheimer & Gray in Chicago, has been bond counsel for the SRF programs for a number of years. The underwriter for the 2001 bond issues was Dougherty & Company. The trustee for the SRF programs is the First National Bank in Sioux Falls. Harold Deering is the representative of the Attorney General's office.

In 2001, the Drinking Water issue was for \$5,270,000 and Clean Water was for \$4,405,000. Those issues were sized to provide match for FFY 2001, 2002, and 2003. The Drinking Water SRF bond proceeds have been utilized for that purpose, and about \$10,000 remains. For the Clean Water SRF program, the bond proceeds were utilized for 2001 match. Because of the transfers and on the advice of bond counsel, the administrative surcharge fees were used for the 2002 and 2003 match. Staff has recently disbursed the balance of those Clean Water SRF bond proceeds. Mr. Feeney stated that the board needs to go back into the bond market for Drinking Water match for three years - FFY 2004, 2005, and 2006.

Mr. Feeney highlighted the scope of work that would be expected from a financial advisor. He also provided a list of firms that have SRF program financial advisor experience. He suggested the board appoint a subcommittee to serve on the evaluation committee.

Greenfield, Jones, and Rounds volunteered to serve on the evaluation committee.

Motion by Bollweg, seconded by Loucks, to authorize the department to initiate the process to retain a financial advisor for the SRF programs. Motion carried.

Mr. Feeney noted that a special board meeting via telephone conference call or via the Digital Dakota Network may be necessary sometime in August 2003.

ELECTION OF OFFICERS: Motion by Loucks, seconded by Johnson, to appoint Gregg Greenfield as Chairman, Don Bollweg as Vice Chairman, and Dale Kennedy as Secretary. Motion carried.

Chairman Greenfield declared the meeting in recess until the following morning.

JUNE 27, 2003, 8:30 A.M. CDT

Chairman Greenfield called the meeting back to order. All board members were present.

JAMES RIVER WATER DEVELOPMENT DISTRICT SWRMS AGREEMENT: Dave Ryan reported that in 1984, the James River Restoration Project was placed on the State Water Resources Management System (SWRMS) and identified as a preferred priority objective by the South Dakota Legislature. In 1992, the South Dakota Legislature authorized a \$20,000,000 flood control project and committed to providing a \$2,500,000 state cost share for the project.

Since 1992, the James River Water Development District (WDD) has served as the local sponsor for the project for purposes of providing funding to projects that advance the restoration goals established for the project. As these projects are planned and completed, the James River WDD, in addition to working with DENR and the Board of Water and Natural Resources, works closely with the Corps of Engineers to complete activities within the James River basin.

In 2001, the James River WDD identified several bank slide areas along the James River that the WDD wanted to repair. The work to be completed included removing debris from the river channel, and therefore, required Corps of Engineers permit approval and environmental compliance review. Through negotiations with the Corps of Engineers, the WDD agreed that an Environmental Impact Statement (EIS) was necessary to review the cumulative environmental effect of all previous activities and anticipated future works. To accomplish this, the WDD entered into a federal cost share agreement with the Corps of Engineers to complete an EIS.

In January 2003, the Board of Water and Natural Resources approved placing \$100,000 under agreement to assist with the funding of the nonfederal cost share of the EIS. In a May 5, 2003, letter, the James River WDD requested that the Board of Water and Natural Resources place the 2003 Omnibus Bill state appropriation of \$500,000 under agreement as continuing assistance with the nonfederal cost share associated with the EIS.

Staff recommended amending the January 2003 SWRMS agreement and awarding an additional \$500,000 in grant funds and a time extension to the James River WDD.

Darrell Raschke, manager of the James River WDD, provided an update on the activities of the James River restoration project.

Motion by Bollweg, seconded by Kennedy, to adopt Resolution #2003-57 approving the South Dakota Water and Environment Fund first amendment to the grant agreement between the state and James River Water Development District awarding an additional \$500,000 in grant funds and a time extension to June 30, 2007, for continuing efforts to provide the non-federal cost share required to complete a feasibility study, EIS, and other activities on the James River restoration project. Motion carried.

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM AMENDMENT

REQUESTS: The city of Gregory received a \$25,000 consolidated grant in April 2001, for water system improvements. On November 9, 2001, the board approved an amendment extending expiration of the grant to April 26, 2004.

On April 22, 2003, the city requested an amendment to its consolidated grant increasing the percentage from 6.2% to 7.2% to allow the city to utilize the full grant amount of \$25,000. Staff recommended approval of the amendment.

Motion by Johnson, seconded by Jones, to adopt Resolution #2003-58 approving Amendment #2 to the South Dakota Consolidated Water Facilities Construction Program between the state and the city of Gregory increasing the grant percentage to 7.2% of approved total eligible project costs and not exceeding \$25,000 for water system improvements. Motion carried.

The town of Nisland received a \$300,000 consolidated grant in June 2001, for a water system improvement project. Nisland also received a \$350,000 Drinking Water SRF loan for this project. This is a 0% interest, 30-year loan. The consolidated grant award was made contingent upon Nisland using all of the SRF loan funds prior to drawing on the grant funds. In November 2001, the board approved an amendment extending expiration of the consolidated grant to June 14, 2004.

In a May 29, 2003, letter the town of Nisland requested the grant agreement be amended to change the scope of the project to include the refurbishing of the water storage reservoirs. Staff recommended approval of the amendment.

Motion by Kennedy, seconded by Bollweg, to adopt Resolution #2003-59 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement amendment #2 between the state and the Town of Nisland to include the refurbishing of the water storage reservoir in the project scope. Motion carried. Jones abstained from voting.

CONSOLIDATED WATER FACILITIES CONSTRUCTION FUNDING DECISIONS: Mr. Feeney reviewed the consolidated funding applications and staff recommendations. The board made the following funding decisions.

Motion by Bollweg, seconded by Jones, to adopt Resolution #2003-60 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the city of Arlington for a grant up to 19.2% of approved total project costs and not exceeding \$300,000 for wastewater and water system improvements. Motion carried.

Motion by Kennedy, seconded by Bollweg, to adopt Resolution #2003-61 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the city of Centerville for a grant up to 10.9% of approved total project costs and not exceeding \$200,000 for water distribution system improvements. This grant is contingent upon the city applying for a Drinking Water SRF loan to finance the balance of the project. Motion carried.

Motion by Rounds, seconded by Jones, to adopt Resolution #2003-62 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the Faulk Conservation District for a grant up to 54% of approved total project costs and not exceeding \$180,000 for the Lake Faulkton Watershed improvement project. Motion carried.

Motion by Kennedy, seconded by Bollweg, to adopt Resolution #2003-63 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the Lake Cochrane Sanitary District for a grant up to 35.8% of approved total project costs and not exceeding \$100,000 for Lake Cochrane Sanitary District improvements. This grant is contingent upon the sanitary district applying for a Clean Water SRF loan to finance the balance of the project. Motion carried.

Motion by Johnson, seconded by Loucks, to adopt Resolution #2003-64 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the Lake Madison Sanitary District for a grant up to 17.4% of approved total project costs and not exceeding \$200,000 for Lake Madison Sanitary District improvements. This grant is contingent upon the sanitary district applying for a Clean Water SRF loan to finance the balance of the project. Motion carried. Jones abstained from voting.

Motion by Johnson, seconded by Loucks, to adopt Resolution #2003-65 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the Stagebarn Sanitary District for a grant up to 60% of approved total project costs and not exceeding \$57,600 for the Stagebarn Sanitary District wastewater regionalization project. Motion carried.

Motion by Johnson, seconded by Loucks, to adopt Resolution #2003-66 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the Stagebarn Sanitary District for a loan up to \$38,400 at 5% for 20 years for the Stagebarn Sanitary District wastewater regionalization project. Motion carried.

SOLID WASTE MANAGEMENT PROGRAM FUNDING DECISION: David Ryan reviewed the application and funding recommendation.

Motion by Kennedy, seconded by Jones, to adopt Resolution #2003-67 approving the South Dakota Solid Waste Management Program grant between the state and the city of Sisseton for a grant up to 75% of approved total project costs and not exceeding \$15,700 for the purchase of a new recycling trailer. Motion carried.

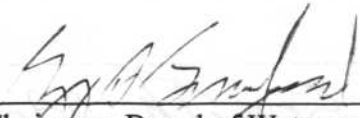
OTHER BUSINESS: Mr. Feeney stated that the next meeting is September 25-26, 2003, in Sioux Falls. On the morning of September 25, the meeting will be held via the Digital Dakota Network. During the afternoon the board will tour several sites in the Sioux Falls area. On the morning of September 26, the meeting will be held at the Lewis and Clark RWS conference room.

Board of Water and Natural Resources
June 26-27, 2003, Meeting Minutes

ADJOURN: Chairman Greenfield declared the meeting adjourned.

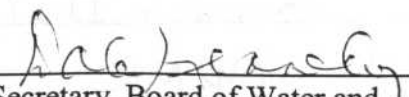
Approved this 25th day of September, 2003.

(SEAL)



Chairman, Board of Water and
Natural Resources

ATTEST:



Secretary, Board of Water and
Natural Resources

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 6-26-03 LOCATION Matthew Training Center, Pierre

Name (PLEASE PRINT)	Address	Representing
<u>John T. Loucks</u>	<u>R.C.</u>	<u>BWNR</u>
<u>Cathy Wernke</u>	<u>Box 303, Gregory SD</u>	<u>SCWDD</u>
<u>Ed Kennedy</u>	<u>Revered, SD</u>	<u>SDWNR</u>
<u>Edie Smith</u>	<u>2708 Lake Cochran Dr, SD Cochran</u>	<u>Lake Cochran</u>
<u>Broni Schanning</u>	<u>2452 EDGEWATER DR. LAKE COCHRAN</u>	<u>SAT DIST</u>
<u>Jack O'Brien</u>	<u>2692 EDGEWATER DR</u>	<u>LAKE COCHRAN</u>
<u>Harold Linn</u>	<u>2676 Edgewater Dr</u>	<u>Lake Cochran</u>
<u>Don Rounds</u>	<u>320 N Monroe Pierre</u>	<u>Sanitary Dist</u>
<u>Dan Temple</u>	<u>Pierre</u>	<u>BWNR</u>
<u>Steve Ruhnke</u>	<u>Pierre</u>	<u>DENR</u>
<u>David Ryan</u>	<u>Pierre</u>	<u>DENR</u>
<u>James Feeney</u>	<u>Pierre</u>	<u>DENR</u>
<u>Harlan Quenzer</u>	<u>Mitchell</u>	<u>SPN & Assoc.</u>
<u>James Adamson</u>	<u>240 STATE ST</u>	<u>City</u>
<u>Valerie Fischer</u>	<u>Centerville</u>	<u>City</u>
<u>Elayne Lande</u>	<u>Pierre</u>	<u>DENR</u>
<u>Amiel N. Redfish</u>	<u>Arlington</u>	<u>City of Arlington</u>
<u>Kevin Strano</u>	<u>Faughton</u>	<u>LAKE FAUGHTON</u>
<u>Randy Bouvette</u>	<u>Watertown</u>	<u>SDCS</u>
<u>Mike Perkovich</u>	<u>Pierre</u>	<u>DENR</u>
<u>Jim Anderson</u>	<u>Pierre</u>	<u>DENR</u>

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 6-26-03

LOCATION Matthew Training Center

Name (PLEASE PRINT)	Address	Representing
Gayleen Lowe	Pierre	DENR
Jay Gilbertson	Brookings	East Dakota WPD
Mike Peterson	Madison	LAKE MADISON SANITARY DISTRICT
Gary Aulse	Madison	" "
Toby Brown	Sioux Falls	SECOG
Senator Frank Kloucek	Scotland	Leg oversight
Kenneth L Palmer	Black Hawk	Black Hawk Sant. Dist.
Bill Lass	Rapid City	Black Hills C.O.G.
Jay Behrends	Piedmont	Stagebarn Sant. District
Ron Bengs	Rapid City	Alliance of Mech. Eng Stagebarn / Black Hawk
JEFF DUNN	SIOUX FALLS	CITY OF SIOUX FALLS
FRANK KAEST	Sisseton	City
Elizabeth Wiley	Elk Point	City of Elk Point
Jori Denualler	Salem	City of Salem
Robin Rayman	Salem	City of Salem
Denise Hanson	Worthing	City of Worthing
Jason Knapp	DENR-Pierre	DENR

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 6-27-03

LOCATION Matthew Training Center

Name (PLEASE PRINT)

Address

Representing

AL Cerny	PO Box 436 Gregory	City of Gregory
Danell Raschke	Chinon	JRWDD
Gayleen Lowe	Pierre	DENR
Sen Frank Klourek	29966 423 Ave Scotland	Leg over night
Elayne Lande	Piere	DEAR

Drinking Water SRF Program

Fiscal Years 1997 - 2002

Capitalization Grants	\$50,742,500	
State Match	\$10,148,500	
Set-Asides	(\$2,545,050)	
Transfer of FY-02 CW Cap Grant & Match	<u>\$7,812,960</u>	
Subtotal	\$66,158,910	
Principal Repayments as of September 30, 2002	\$3,020,775	
Excess Interest as of September 30, 2002	\$1,071,048	
Loans made through September 30, 2002	<u>(\$63,912,192)</u>	
September 30, 2002 Balance Available		\$6,338,541

FFY 2003 Funds

DW SRF Cap Grant	\$8,004,100	
FFY 2003 State Match	\$1,600,820	
Set-Asides (4% admin & \$100,000)	(\$420,164)	
Transfer of FY-03 CW Cap Grant & Match	<u>\$7,761,360</u>	
		\$16,946,116

FFY 2003 Deobligation of Loan Funds

Gregory (01) Deobligation	\$32,420	
Kingbrook (01) Deobligation	\$796	
Mitchell (01) Deobligation	\$2,000,000	
Sioux Fall (02) Deobligation	\$401,832	
Tripp (01) Deobligation	\$65,344	
WEB (02) Rescission	<u>\$137,450</u>	
		\$2,637,842

FFY 2003 Principal Payments

Lead-Deadwood San. District Pre-payment	\$2,301,562	
Oct-2002 through Dec-2002 Princ. Payments	\$275,831	
Jan-2003 through Mar-2003 Princ. Payments	\$306,846	
Apr-2003 through May-2003 Princ. Payments	<u>\$294,541</u>	
		\$3,178,780

FFY 2003 Loans

November 2002 Awards	(\$3,648,000)	
January 2003 Awards	(\$9,299,957)	
March 2003 Awards	<u>(\$10,067,921)</u>	
		(\$23,015,878)

AVAILABLE TO LOAN -- 26-JUN-03

\$6,085,401

June 2003 Applications

Big Stone City	(\$240,000)	
Worthing	<u>(\$288,000)</u>	
		(\$528,000)
		\$5,557,401

Clean Water SRF Program

Available Prior Year Funds

Capitalization Grants	\$0	
State Match	\$0	
Leveraged Funds	\$7,540	
Principal Repayments	\$21,922,213	
Unrestricted Cumulative Excess Interest	\$12,736,277	
September 30, 2002 Balance Available		\$34,666,030

FFY 2003 Funds

CW SRF Cap Grant	\$6,467,800	
State Match -- Admin. Surcharge Fees	\$1,293,560	
Admin. 4%	\$0	
Transfer of FY-03 Cap Grant & Match to DW SRF	(\$7,761,360)	
		\$0

FFY 2003 Deobligation of Loan Funds

Mobridge (03) Deobligation	\$5,000	
Sioux Falls (14) Deobligation	\$211,463	
		\$216,463

FFY 2003 Principal Payments

Chamberlain (03) Pre-payment	\$2,262,350	
Oct-2002 through Dec-2002 Princ. Payments	\$1,570,677	
Jan-2003 through Mar-2003 Princ. Payments	\$1,557,953	
Apr-2003 through May-2003 Princ. Payments	\$1,114,196	
		\$6,505,176

FFY 2003 Loans

January 2003 Awards	(\$3,829,535)	
March 2003 Awards	(\$5,570,486)	
		(\$9,400,021)

AVAILABLE TO LOAN -- 26-JUN-03

\$31,987,648

June 2003 Applications

Black Hawk Sanitary District	(\$589,600)	
Elk Point	(\$345,000)	
Sioux Falls	(\$932,000)	
Tea	(\$495,490)	
Salem (amendment)	(\$285,000)	
		(\$2,647,090)
		\$29,340,558